

# Exhibit 12

**Beny Steinmetz**

## Beny Steinmetz seeks to reverse \$2bn arbitration award to Vale

Businessman claims to have new evidence in legal fight with Brazil mining group



Beny Steinmetz says "Vale were aware of the rumours but they closed their eyes, ears and nose to get the deal done" © REUTERS

**Neil Hume**, Natural Resources Editor MAY 24 2020

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Billionaire businessman Beny Steinmetz says he has new evidence that will help him reverse a \$2bn arbitration award over a failed joint venture in Guinea with Brazilian miner Vale.

According to Mr Steinmetz, the evidence shows Vale was aware of potential problems with how the rights to develop a huge iron ore deposit called Simandou had been obtained.

"Vale were aware of the rumours but they closed their eyes, ears and nose to get the deal done," Mr Steinmetz told the Financial Times.

Vale's dispute with Mr Steinmetz dates back to 2010, when it agreed to buy a 51 per cent stake in Guinea assets belonging to BSG Resources, the mining company controlled by the Steinmetz family, including two blocks of Simandou.

Their joint venture was stripped of its licence to develop Simandou in 2014 after the government of Guinea's then new president, Alpha Condé, concluded the rights had been won through bribery. Mr Steinmetz and BSGR have always denied the allegations. "There was no corruption," he said.

The new evidence cited by Mr Steinmetz was gathered by Black Cube, a private intelligence agency run by former Israeli spies, in an undercover operation that targeted former Vale executives.

For more than a decade Mr Steinmetz, a scion of one of Israel's great diamond families, has faced questions about how BSGR secured one of the richest prizes in the mining industry in 2008.

After the joint venture was stripped of its licence, Vale, the world's second biggest iron ore producer, launched legal action and last year was awarded \$2bn by a London arbitration court.

The miner claims Mr Steinmetz and others fraudulently induced it to enter into the joint venture by misrepresenting how the Simandou licences were obtained.

Mr Steinmetz says he can show that Vale already believed — albeit incorrectly — that BSGR had procured the rights through corruption and bribery before it decided to sign the deal.

Details of the Black Cube operation were revealed in court filings in New York, where Mr Steinmetz is seeking to serve subpoenas on Vale and Rio Tinto, the mining group that owns the rights to the other half of Simandou. He believes both companies have documents that can help his case.

In the filings, José Carlos Martins, the former head of Vale's iron business, tells an undercover Black Cube operative that he had informed the board of his belief that there was "something wrong" with the Simandou deal. However, they decided to go ahead because Simandou was the "only open door in Africa" to maintain Vale's market share.

"Look, although we didn't find anything wrong, although it's very good for the company, I needed to say that I'm going for it, I'm proposing it with my nose closed because I smell something wrong," Mr Martin said, according to the transcript.

"And at the end, the board said: Okay, let's go. Don't tell anything more. Let's go for it."

Mr Martins did not respond to a request for comment.

In a statement, Vale said Mr Steinmetz was trying to evade personal liability for Vale's losses.

“Vale is confident that the effort will continue to be rejected by any court or tribunal considering the full record of Vale’s extensive diligence efforts and the extraordinary means that Steinmetz undertook to conceal his fraud from Vale,” it said.

“The timing of Steinmetz’s submission is not coincidental — Vale has secured a \$2bn judgment in multiple jurisdictions, and it has been diligently tracing the proceeds of BSGR’s fraud and Steinmetz’s assets. Vale is now actively pursuing discovery of persons and entities suspected of being or having knowledge about Steinmetz’s business partners or recipients of the funds Vale lost in the fraud.”

Mr Steinmetz said he was confident the London arbitration court would reopen the case. “Any lawyer who has seen our evidence will tell you that. Vale knew everything.”

Mr Steinmetz said it had been necessary to use Black Cube because previous attempts to obtain evidence from Vale had been frustrated by its document retention policies. “We said this before but nobody would listen. We now have the truth,” he said.

Asked about corruption charges over Simandou in Switzerland, Mr Steinmetz said he believed “there was no case” to answer, citing the decision by the Guinea government to drop all claims and allegations against BSGR last year.